

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Andhra Pradesh State Financial Corporation (APSFC) - Government guarantee to A. P. State Financial Corporation for issuing the non-statutory liquidity ratio (SLR) Bonds of Rs. 200.00 Crore for a period of 10 years - Orders – Issued.

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INDUSTRIES & COMMERCE (IF CELL) DEPARTMENT

**G.O. Ms. No. 31**

**Dated: 08.04.2011.**

Read:-

From the MD, A.P. State Financial Corporation, Hyderabad, Note file No. APSFC/F&A/10-11, dt. 25.5.2010 received under Single File System.

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O R D E R:

In the reference read above, the Managing Director, A.P. State Financial Corporation, Hyderabad has stated that, the APSFC is making significant contribution for the development of small and medium scale industries in the State by providing the need based credit in the form of medium/long term loans. The Corporation is playing a predominantly promotional and developmental role and acting as a catalyst for the growth of small scale industry, generation of direct and indirect employment to the people in the State. The Corporation also formulated a special scheme of financial assistance for establishing of industrial units and service enterprises in SME sector being promoted by entrepreneurs belonging to SC./ST categories. He has further stated that the Corporation has raised non-SLR Bonds to the tune of Rs. 400 crore during last four years to meet the gap in resource mix of the Corporation. The details of earlier guarantees given by Government towards non SLR Bonds are as under:

S.No.	G.O. Ms. No. & Date	(Rs. in Crores)	
		Guarantee Amount	Amount Mobilized
1	233, Ind.& Com. (IF Cell) Dept, dt. 20.08.2007.	50.00	50.00
2	36, Ind.& Com. (IF Cell) Dept, dt. 05.02.2008.	150.00	129.00
3	251, Ind.& Com. (IF Cell) Dept, dt. 15.09.2008.	200.00	100.00
4	240, Ind.& Com. (IF Cell) Dept, dt. 21.11.2009.	121.00	121.00

As the Corporation is now proposing to issue Non-SLR Bonds with government guarantee to the tune of Rs. 200 crores in the market at the interest rate of around 8.50% p.a. to meet the gap in resources mix, the Managing Director, A.P. State Financial Corporation has requested the Govt. to extend Govt. guarantee for a period of 10 years for repayment of principal amount of Rs. 200 crores and payment of interest thereon, without insisting on payment of guarantee commission.

2. Government, after careful examination of the proposal of Managing Director, A.P. State Financial Corporation, Hyderabad hereby sands guarantee for repayment of Principal and payment of interest in respect of Non-Statutory Liquidity Ratio Bonds to be floated by the A.P. State Financial Corporation for a sum of Rs. 200 Crores (Rupees Two hundred cores only)and repayable over a period of 10 years, carrying interest @ 8.50% p.a. The rate of guarantee commission would be decided separately.

(PTO)

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3. This order issues with the concurrence of Finance (DCM-II) Department, vide their UO No. 1697/74/DCM.II/2011, dt. 22.03.2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB  
Principal Secretary to Government & CIP

To  
The Managing Director,  
A.P. State Financial Corporation,  
Hyderabad.  
The Accountant General, AP, Hyderabad.  
The RBI, Hyderabad.

Copy to:-

The Finance (DCM-II) Department.  
The Finance (Exp. I&C) Department.  
The GA(Cabinet) Dept.  
The Spl. Secy. to C.M.  
The PS to Min. (MI, Sugar& C&EP).  
The PS to Prl. Secy. to Govt., & CIP,  
Industries & Commerce Deptt.  
SF/SC.

//FORWARDED: : BY ORDER//

SECTION OFFICER